

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR.

GARY R. HERBERT Lieutenant Governor

September 29, 2006

Gary Applegate 995 N. Main P.O. Box 668 Tooele, Utah 84074

Subject: Bond Release, Gary Applegate, Indian Queen Marble, M/001/019, Beaver County,

Utah

Dear Mr. Applegate:

On August 1, 2006 the Division preformed an inspection of the Indian Queen Mine site and determined the site has been adequately regraded and spread sufficient topsoil to initiate reseeding of the site. You have reseeded the site and requested a release of the bonding liability associated with regrading the site. The Division finds the regrading portion of the reclamation bonding liability complete. The current reclamation surety obligation in the amount of \$29,000.00 may be reduced to \$7,000 to ensure failure of the current seeding.

The Division will release the \$29,000 bond, number 64916-SD with Frontier Insurance Company, when a reclamation surety in the amount of \$7,000.00 has been submitted, along with required updates to the reclamation contract, and receives Division approval. The Division will keep this \$7,000 in place until such time as a demonstration is made that the reseeding is 70 percent of the cover of the surrounding vegetation; but no less than 3 growing seasons after seeding is completed.

Any questions or concerns regarding the reclamation surety replacement or release please contact Beth Ericksen at 538-5318.

Sincerely,

Susan M. White

Mining Program Coordinator Minerals Regulatory Program

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SMW:tm:pb

Enclosure: Inspection Report, Bond Release Findings

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